

**Michigan
Bureau of
Workers' Disability Compensation**

A rectangular image with a marbled pattern in shades of blue, green, and brown, serving as a background for the title text.

1999 Annual Report



**Department of
Consumer & Industry Services**

Serving Michigan...Serving You...

John Engler, Governor

State of Michigan

Kathleen M. Wilbur, Director

Department of Consumer & Industry Services

Craig R. Petersen, Director

Bureau of Workers' Disability Compensation

Jürgen Skoppek, Chairperson

Workers' Compensation Appellate Commission

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Overview

Before 1912, a worker who was injured in the course of his or her employment could sue his or her employer in a civil or “tort” action, which was the same remedy available to a person injured under other circumstances. The tort remedy, however, had certain problems. It required the worker to prove that the injury occurred because the employer was negligent and the employer had three important defenses: (1) that the worker was also negligent, (2) that the worker knew of the dangers involved and “assumed the risk,” or (3) that the injury occurred because of the negligence of a “fellow employee.” Under this system it was very difficult for workers to recover against their employers. If they did win, however, they could receive virtually whatever damages a jury wanted to give them.

In 1912 Michigan, along with most other states, adopted a Workmen’s Compensation Act. The new remedy is essentially a “no-fault” system under which a worker no longer has to prove negligence on the part of the employer, and the employer’s three defenses were eliminated. The intent of the new law is to require an employer to compensate a worker for any injury suffered on the job, regardless of the existence of any fault or whose it might be.

In return for this almost automatic liability, the Act limited the amount that a worker could recover. Workers are now entitled only to (1) certain wage loss benefits, (2) the cost of medical treatment, and (3) certain rehabilitation services. Recovery under workers’ compensation is limited to these three areas, no matter how serious the injury.

Nearly all employers in Michigan are covered by workers’ compensation. This includes both public and private employers. In fact, when talking about workers’ compensation, it is easier to discuss the exceptions. There are a few classes of workers who are covered by federal laws and are not covered by the Workers’ Disability Compensation Act of Michigan. Employees of the federal government (such as postal workers, employees at a veterans administration hospital, or members of the armed forces) are covered by federal laws. People who work on interstate railroads are covered by the Federal Employers Liability Act. Seamen on navigable waters are covered by the Merchant Marine Act of 1920, and people loading and unloading vessels are covered by the Longshoremen’s and Harbor Workers’ Compensation Act. Virtually all other workers and employers are subject to Michigan’s law.

Certain very small employers are exempt. If a private employer has three or more employees at any one time, or employs one or more workers for 35 or more hours per week for 13 or more weeks, the employer is subject to the Workers’ Disability Compensation Act (Section 115).

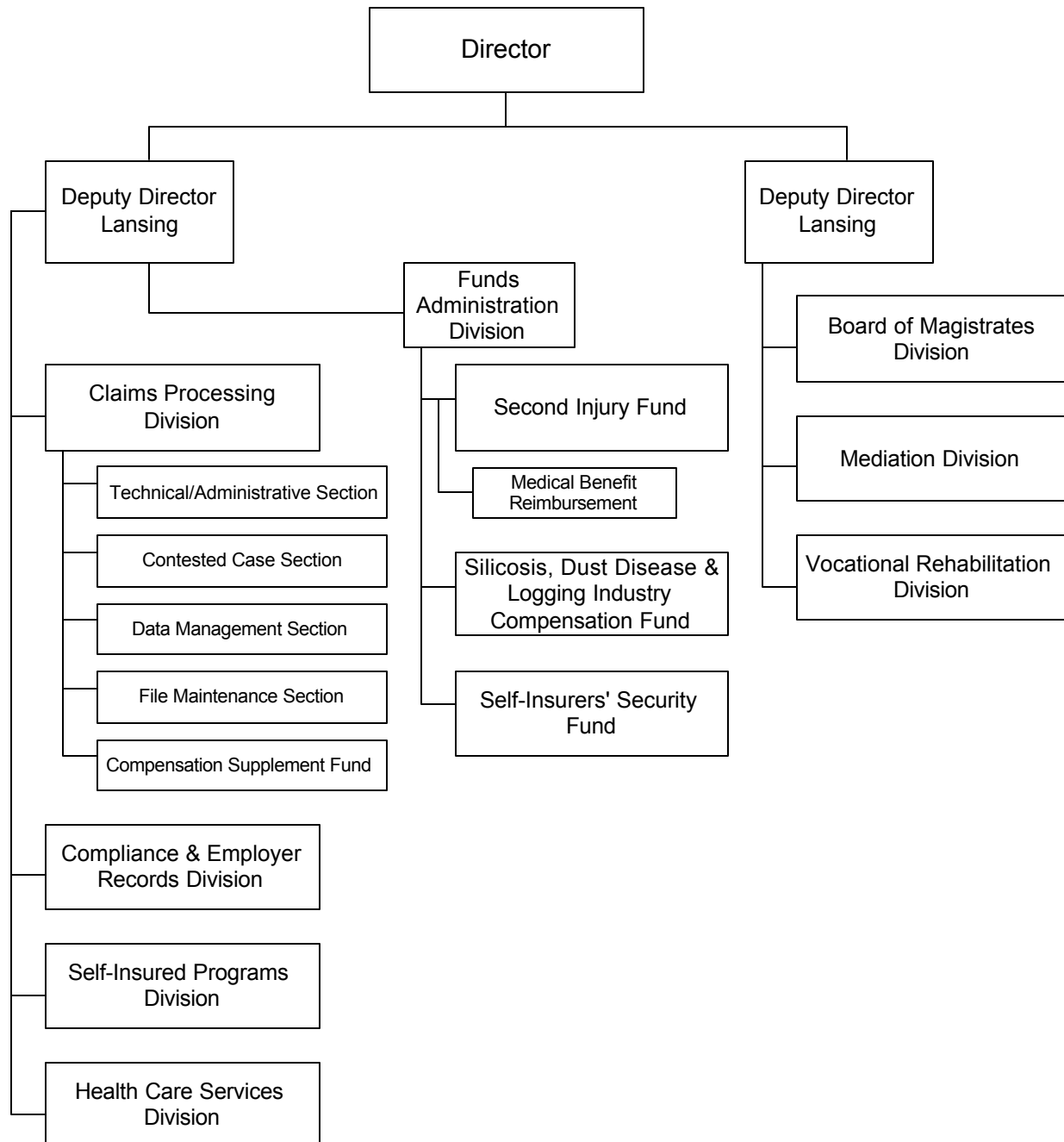
1999 Highlights

- , Website continually updated. New items include interactive forms, Franges worksheet, calculation program, and pay lag report.
- , Video-conferencing equipment installed in the Lansing and Detroit offices. Arrangements have also been made with a site in the upper peninsula for use of their facility.
- , Toll free number introduced for use by all participants in the workers' compensation system.
- , The Compliance & Employer Records Division began a program to allow insurance carriers to fax the form BWC-400 and form BWC-401.
- , Reduction in cases more than 12 months old from 4,064 in December 1998 to 3,761 in December 1999.
- , Lost-time claims over seven days declined from 52,481 in December 1998 to 51,459 in December 1999.
- , Revisions to the bureau's general rules became effective May 11, 1999.
- , Funds Administration Information System was put into production. This system will manage all workers' compensation claims and enable processing of claims-related payment obligations for the Funds Administration.

What to look for in 2000

- , Health Care Services Manual to be published. The purpose of this manual is to assist providers with workers' compensation health care services rule requirements by providing answers to common questions regarding billing, procedure codes, complaints and disputes.
- , Revisions to the Health Care Services rules to take effect May 2000.
- , Workers' Compensation Funds Review Committee Report to be released.
- , Begin programming for Electronic Data Interchange (EDI) in late 2000.

Organizational Chart



How to Contact Us

The bureau is located at:

Michigan Dept. of Consumer & Industry Services
Bureau of Workers' Disability Compensation
7150 Harris Drive
P.O. Box 30016
Lansing, Michigan 48909

Website address: **www.cis.state.mi.us/wkrcomp**

Division phone numbers:

General Information	(517) 241-4537 1-888-396-5041	Local
Director's Office/Administration Craig R. Petersen, Director	(517) 322-1296	
Deputy Director's Office/Administration Bruno Czyrka, Deputy Director	(517) 322-1106	
Board of Magistrates Division Crary "Rick" Grattan, Chairperson	(517) 241-9380	
Claims Processing Division Connie Carroll, Administrator	(517) 322-1438	
Compliance & Employer Records Division Cheryl Cornellier, Administrator	(517) 322-1195	
Funds Administration Division Dennis S. Morrill, Funds Administrator	(517) 241-8999	
Health Care Services Division Saundra Ford, Administrator	(517) 322-5433	
Mediation Division Craig R. Petersen, Director	(517) 322-1296	
Self-Insured Programs Division Dennis Stinson, Administrator	(517) 322-1868	
Vocational Rehabilitation Division Douglas Langham, Administrator	(517) 322-1866	
Workers' Compensation Appellate Commission Jürgen Skoppek, Chairperson	(517) 334-9719	

Office Locations

LOCATION	ADDRESS	MAGISTRATE	MEDIATOR
Ann Arbor	2117 W. Stadium, 48103	(734) 665-9616	(734) 665-9616
Detroit	State of MI Plaza Building 1200 Sixth Street, 12 th Floor, 48226	(313) 256-2770	(313) 256-2770
Escanaba	State Office Building 305 Ludington, 49829	(906) 786-2081	(906) 786-2081
Flint	Bristol West Center G-1388 W. Bristol Rd., 48507	(810) 760-2618	(810) 760-2618
Grand Rapids	2942 Fuller Street NE, 49505	(616) 447-2680	(616) 447-2670
Kalamazoo	5349 W. Main, 49006	(616) 337-3630	(616) 337-3630
Lansing	2501 Woodlake Circle, Okemos P.O. Box 30016, 48909	(517) 241-9380	(517) 241-9393
Mt. Clemens	10 th Floor, Old County Building 10 N. Main, 48043	(810) 463-6577	(810) 463-6577
Pontiac	28 N. Saginaw, NBD Building Suite 1310, 48342	(248) 334-2497	(248) 334-2497
Saginaw	State Office Building 411-K E. Genesee, 48607	(517) 758-1768	(517) 758-1768
Traverse City	Grand View Plaza, 3 rd Floor 10850 Traverse City Hwy., 49684	(231) 922-5430	(906) 786-2081 *Escanaba

Administration

The mission of the Bureau of Workers' Disability Compensation is to administer the Workers' Disability Compensation Act of 1969, as amended, in order to facilitate timely benefit payments to injured employees at a reasonable cost to employers. To this end we dedicate ourselves to carry out this responsibility and to serve the public promptly, courteously, and impartially.

Goals:

- , Ensure that employees that have suffered a work-related injury are provided correct wage loss replacement, medical and vocational rehabilitation services during periods of incapacity, and that these benefits are paid timely and accurately.
- , Provide leadership to carry out a legislative agenda for more efficient regulation and delivery of workers' compensation benefits.
- , Provide an informal dispute resolution process for employers, insurance carriers, and injured employees through mediation.
- , Monitor medical providers' compliance with health care rules to ensure that costs of providing health care services remain reasonable.
- , Monitor the financial position of all individual and group self-insureds to ensure their ability to meet future payment of benefits on a timely basis.
- , Maintain a historical record system for the more than 200,000 employers subject to the Workers' Disability Compensation Act.
- , Monitor and enforce employers' compliance with the requirements for insurance coverage.

There are several ongoing projects that not only cross divisions to affect the entire bureau but will positively impact the bureau's ability to provide information in a timely manner. Michigan is planning to implement Electronic Data Interchange (EDI) in the claims and compliance areas. This process will allow carriers and self-insureds to file their forms electronically. We hope to begin programming in late 2000. This project is in conjunction with the International Association of Industrial Accident Boards and Commissions (IAIABC).

The Bureau of Workers' Disability Compensation is also pleased about the development of our Internet web site. The site is continually updated to make it more comprehensive and user-friendly. This site contains a variety of information about the bureau, the Board of Magistrates and the Workers' Compensation Appellate Commission. The address is www.cis.state.mi.us/wkrcomp.

Claims Processing Division

The Claims Processing Division maintains a current and historical claims/case records system. Its objective is to ensure that employees that have suffered work related injuries are provided correct wage loss replacement and that both voluntary claims and litigated cases are processed in a timely manner.

The Claims Processing Division performs a wide variety of functions as it relates to workers' compensation claims. The program is broken down into four major sections:

- , *File Maintenance.* The File Maintenance Section staff prepares bureau mail for filming and date stamping. This preparation includes opening, sorting, screening, and matching bureau forms and correspondence. This section is also responsible for housing and maintaining workers' compensation cases that are in open paying status or awaiting bureau forms which will determine the file location.
- , *Data Management.* The Data Management Section staff is responsible for keying claim forms and related material onto the bureau's automated system, WORCS. Although WORCS audits the majority of all claims forms, there are some claims that have to be manually audited. This section is also responsible for collecting and auditing redemption fees.
- , *Contested Case.* The Contested Case Section staff processes applications for mediation or hearing by creating paper case files, scheduling parties for the initial mediation hearing or pretrial, mailing orders and memorandum issued by magistrates and mediators, handling all mail related to litigated cases, and keying all orders on WORCS.
- , *Technical Administrative.* Activities of all sections are coordinated through the Technical Administrative Section. Other activities performed by the Technical Administrative Section staff include establishing policies/procedures, finalizing personnel transactions, maintaining/updating the bureau's retention/disposal schedule, approving carrier and self-insured's customized versions of bureau forms, overseeing the automated system, providing technical support to personal computer users, coordinating personal computer and other equipment acquisitions, preparing form/supply orders for bureau staff and the workers' compensation community, and microfilming bureau mail.

In 1999, the division processed 405,410 forms and correspondence relating to claim/case records. As a result, there were 64,952 Employer's Basic Report of Injury forms filed and 20,019 new contested cases established. The division was able to retire 39,117 claims/cases.

The Compensation Supplement Fund is a program administered within the Claims Processing Division of the bureau. The Compensation Supplement Fund provides supplemental benefits to employees whose weekly compensation benefits were based on personal injury dates between September 1, 1965 and December 31, 1979 as mandated in Sections 418.352 and 418.391 of the Workers' Disability Compensation Act. The amount of the supplement, which is paid in addition to the basic weekly compensation rate, is determined by the percentage change in the state average weekly wage from the year the employee was injured to 1981 (inflation factors can be found on page 21). In 1999, 4,800 claims received reimbursement or a tax credit under the provisions of this fund. From January 1, 1999 through December 31, 1999, the Compensation Supplement Fund disbursed \$1,203,039 in payments and provided \$8,108,582 in Single Business Tax Credits.

Mediation Division

The Mediation Division came into being as a result of Public Act 103 of 1985, which required the mediation of certain cases filed in the contested claims process. Prior to this, the bureau had, on an informal basis, provided a very limited form of mediation by the use of four consultants within the bureau. The purpose of the Mediation Division is to resolve cases between employers and employees in an informal setting. Intervention of a mediator in a claim before it becomes a formal dispute could resolve claims short of costly litigation. These individuals are available to answer questions and try to assist workers in resolving problems without the necessity of going through the formal litigation process. The Mediation Division has nine field offices established throughout the state to provide services to employers and claimants. This division works closely with the Board of Magistrates in resolving claims at the same hearing site locations around the state.

Mediation is a negotiation process where the parties and representatives involved in a dispute sit down together in private, with a neutral person (a mediator) and allow the mediator to assist them in working out a solution to their claim. During the mediation, all parties involved in the dispute explain the problem situation as they see it and present their ideas for how they think the matter can be resolved. The mediator aids the parties to develop a realistic workable solution to the dispute.

It is the role of the mediator to assist employees, employers, carriers, health care providers, attorneys, and other parties involved in the workers' compensation system in understanding the general process and to advise employees and employers so that they understand their respective rights and obligations. It is also the responsibility of the mediator to advise employees as to the benefits provided in the Workers' Disability Compensation Act and the procedures used by carriers in providing such benefits, and advise employees of what actions they may take if there are disputes. If the matter is not resolved at the mediation hearing, it will be assigned to a magistrate for a formal hearing.

Hearings held by mediators:

- , *Statutory Mediation (Formal)*. Section 223 of the statute provides for mandatory mediation in specific cases being disputed. They are: all applications for hearing filed by an injured employee without an attorney, all medical only disputes, all closed periods of disability being alleged and any other disputes that the bureau feels would be assisted by mediation. In 1999 the bureau held 8,432 formal mediation hearings and resolved 52%.

- , *Non-statutory Mediation (Informal)*. No application for mediation or hearing is filed. The parties call or write and the mediator schedules conferences by telephone or the parties attend scheduled conferences before the mediator. Any workers' compensation problem can be scheduled for a non-statutory mediation conference. In 1999 the bureau held 194 informal mediation hearings and resolved 85%.
- , *Vocational Rehabilitation Mediation*. Disputes concerning vocational rehabilitation are referred first to mediators. The goal of the mediator in a vocational rehabilitation hearing is to attempt to facilitate a voluntary agreement between the parties as to the most appropriate course of vocational rehabilitation for the injured worker. The mediator will do everything within their power to bring the parties to an agreement about the best course of rehabilitation for the worker and will then issue an order. In 1999, 575 applications for hearing on vocational rehabilitation issues were set before the mediators. Of these mediators wrote orders or memorandums on 326 vocational rehabilitation cases and resolved 107 to magistrates for redemption.
- , *Health Care Mediation*. In addition, mediators heard 6,312 cases involving health care services rules in 1999 and resolved 98%.

Vocational Rehabilitation Division

The Vocational Rehabilitation Division is responsible for ensuring that employers provide rehabilitation services according to the provisions of the Act and that the injured employees accept such services. The division provides information and assistance to all parties, approves rehabilitation facilities, monitors ongoing rehabilitation programs, and conducts periodic training seminars.

Research on vocational rehabilitation has demonstrated several important findings:

- , Intervention time is critical. The chances of success for vocational rehabilitation increase dramatically if the process begins early;
- , The most successful course for vocational rehabilitation is a return to work with the same employer; and
- , The costs of vocational rehabilitation are relatively small when compared with the costs of disability benefits that are saved when the employee returns to work.

Employers who invest in rehabilitation and disability management programs have found that they can help their employees while saving money at the same time. The injured workers are able to return to work and earn a wage. The employers are able to reduce their compensable loss exposure, improve employee relations, and increase productivity. In 1999, a total of 3,041 injured workers were assisted back to work with rehabilitation.

Compliance and Employer Records Division

The Compliance and Employer Records Division works to ensure that all employers subject to the Michigan Workers' Disability Compensation Act have complied with the requirements by securing workers' compensation coverage either through a policy of insurance or through approved self-insured authority.

The division maintains the current and historical record system for over 200,000 employers. This includes coverage records on self-insurers, employers with insurance, and employers who have excluded themselves from the Act. In addition, this division has the responsibility to enforce employers' compliance with insurance requirements of the statute.

The major objectives of this program are:

- , To keep an accurate insurance coverage record;
- , To identify the responsible insurance carriers for employers listed on applications for mediation or hearing; and
- , To communicate with those employers who fail to maintain insurance coverage, using the civil process to enforce such compliance if the employer fails to comply even after being advised of the requirements of the statute by division staff.

Since 1983, workers' compensation insurance premiums in Michigan have been set in the marketplace. This means that different insurance companies charge different premiums. Research done by the Insurance Commissioner suggests that some employers should "shop around" for the best deal on insurance. All workers' compensation insurance policies provide the same coverage. However, some cost more than others and some companies provide more services than others. Employers should shop for the best price and the most service from their workers' compensation insurance company.

Self-Insured Programs Division

The Workers' Disability Compensation Act permits employers to request authority to self-insure and assume responsibility for direct payment of benefits to injured workers. The Act also permits providers of claims adjusting, underwriting and loss control services to apply and be approved by the bureau to provide these services to approved self-insurers.

Two types of self-insured authority are permitted in the Act. Individual employers may be approved as self-insured or, two or more employers in the same industry can apply for group self-insured authority. Statutory requirements, administrative rules and bureau policy require annual renewal applications and various monitoring and approval tasks throughout the year.

The Self-Insured Programs Division conducts initial regulatory reviews on employer-generated self-insured applications and in the formation of group self-insured programs; provides guidance through the approval or formation and review process; and issues decisions that detail the required security and exposure limiting devices based on statutory authority and the bureau's established policy. Initial and annual regulatory reviews are also conducted on service company applications. The staff works to resolve all issues and disputes generated by self-insured employers by telephone or informal meetings and as a last resort through the formal hearing process. The division also provides information to the public relevant to self-insured concepts and notifies self-insured employers and other interested parties of changes in statute, administrative rules, and departmental policy.

This division is also the final approval authority in surplus dividend returned to the group membership. This process requires the review and assessment of financial statements, actuarial reports and independent claims and audit reports. Surplus return authorizations range between \$35,000,000 and \$90,000,000 annually.

Health Care Services Division

The Health Care Services Division performs a wide variety of functions mandated in section 418.315 of the Workers' Disability Compensation Act of 1969, as amended. The responsibilities called for in the Act can be categorized as follows: (1) Rule Development, Review and Revision, (2) Evaluation, and (3) Information and Education. A brief summary that delineates the responsibilities of each category is below:

- , *Rule Development, Review and Revision.* The Act and the Workers' Compensation Health Care Services Rules identify policies for coverage and reimbursement to health care providers. Health care trends and policies are researched and developed by staff and Health Care Services (HCS) Advisory Committee members in accordance with nationally recognized standards of practice and reimbursement methodologies. Annual reviews of the Workers' Compensation Health Care Services Rules are conducted with the HCS Advisory Committee. Draft materials for information and action for rule revision are prepared by staff for the HCS Advisory Committee and Task Forces. Public hearings are held relative to proposed rule changes.
- , *Evaluation.* The evaluation process consists of compiling carrier data and analyzing charges, payments, health care procedures and medical diagnosis. The results of the data analysis are used to decide reimbursement levels, utilization parameters, and level of care diagnosis. Provider and carrier compliance is also monitored through the case samples and other reports provided by carriers. A carrier's professional review process is certified by staff to assure that appropriate medical review criteria are utilized according to Rule requirements. Carriers must also attest that professional review staff are licensed and certified as required by Workers' Compensation Health Care Services Rules.
- , *Information and Education.* Staff responds to numerous telephone and written inquiries for information and clarification of the rules, assists in resolving differences between a carrier and a provider, meets with provider, carrier and employee organizations, professional review companies, attorneys, mediators, magistrates and legislators. Staff also provides educational seminars for providers, carriers and professional review agencies regarding the application of the rules, billing procedures, carrier and provider responsibilities and rights outlined in the rules. Staff also participate on panels and programs on workers' compensation health care.

Funds Administration Division

The Funds Administration Division, consisting of the Second Injury Fund; Silicosis, Dust Disease and Logging Industry Compensation Fund; Self-Insurers' Security Fund; and the Uninsured Employers' Security Fund, is managed by a board of three trustees. Two trustees are appointed by the Governor with the advice and consent of the Senate. One represents employers authorized to act as self-insurers in Michigan and the second represents the insurance industry. The third trustee is the director of the Bureau of Workers' Disability Compensation.

Responsibilities of the Funds Administration are defined within the Workers' Disability Compensation Act. Applicable sections of the Act are Sections 351, 356(1), 361(3), 372, and 862. Applicable chapters of the Act are Chapters 5 and 9.

The Uninsured Employers' Security Fund (UESF) was activated with the passage of Senate Bill 570, Public Act 357, effective July 1, 1996. The fund has \$22,156,619.03 to distribute to injured workers with dates of injury from June 29, 1990 through June 30, 1996. There were 1,869 claims to be resolved. All UESF claims have been assigned to staff and 8 were still pending at the end of 1999. The legislation creating this fund has a sunset date of June 1, 2000.

The Funds Administration handled approximately 5,110 cases during 1999: 1,202 were in litigation; 2,730 were direct payment or reimbursement cases; and 1,178 cases being worked on by staff were not in payment/reimbursement or litigation status. At the close of the calendar year, the Funds Administration had 1,762 open files.

The total expenses for the Funds Administration during 1999 were \$28,696,333. Benefit payments were \$23,899,989, and administrative costs equaled \$4,796,344. Complete fiscal and calendar year accounting may be obtained from the Funds Administration Office.

Board of Magistrates Division

The Workers' Compensation Board of Magistrates Division is authorized by Section 213 of Public Act 103 of 1985. The Board of Magistrates consists of thirty members that are appointed by the Governor and confirmed by the Senate, and is responsible for hearing contested cases filed after March 31, 1986. Each magistrate must be a licensed attorney in this state, and either pass an exam or have five years of experience in workers' compensation. A magistrate cannot be reappointed after serving a total of 12 years.

Magistrates decide cases at the trial level of the contested process of the workers' compensation system. All resolutions require a formal written order or opinion with findings of fact and conclusions of law. Parties to a decision may stipulate to modify or correct a decision within 30 days. Additionally, the board is responsible for hearing any dispute meeting the requirements for the Small Claims Division established under Section 841 of Public Act 103 of 1985.

During 1999, the pending caseload of the agency continued to decline by 1,196 cases. This was the seventh consecutive year that the pending caseload declined. Over the last several years, the magistrates have consistently disposed of more cases than new cases received.

During 1999, the Marquette hearing location was closed with claims reassigned to the Escanaba location. The Mount Pleasant hearing site location was also closed with those claims transferred to the Saginaw and Grand Rapids locations.

It is the board's continued mission to provide prompt, fair resolution of contested workers' compensation claims filed with the agency and adequately render formal written opinions within 45 days from the close of the record.

Workers' Compensation Appellate Commission

The administrative process for the adjudication of workers' disability compensation claims in Michigan is divided amongst the Bureau of Workers' Disability Compensation, the Board of Magistrates (hearing level), and the Workers' Compensation Appellate Commission (appellate level). By statute, these agencies function independently within the Department of Consumer & Industry Services.

The Appellate Commission was created by Public Act 103 of 1987, as a remedial measure to reduce or eliminate delays in the appellate process. Seven attorneys, appointed by the Governor to serve four-year terms as commissioners, constitute the Commission. One commissioner is designated as chairperson and has general supervisory control over staff and operations. Classified employees provide support for the commissioners.

After a decision has been written and issued (by a member of the Board of Magistrates or the director of the Bureau of Workers' Disability Compensation) regarding a claim for disability benefits, vocational rehabilitation, or redemption, any party in disagreement may appeal. An appeal must be filed with the Commission within 30 days of the mailed date stamped on the decision. Redemption agreements must be appealed within 15 days of the mailed date.

Transcripts, with few exceptions, are to be filed within 60 days of the filing date of an appeal. The appealing party's brief is to be filed within 30 days after the transcript has been filed. The appellee's brief is due within 30 days thereafter. Through diligence and strict adherence to the statute, the backlog of cases has been substantially reduced. The Commission no longer grants automatic brief filing extensions, however, per Rule 418.8, a party may request a 30-day brief filing extension, supported with documentation of good cause. Should the request be denied, the brief must be submitted within five business days of the denial date. After all required filings have been received, it is then that an appeal is considered "perfected" and ready for review. In most cases, parties may expect the shelf life of a perfected appeal to be approximately six months.

Once under active review, the Commission focuses on only those issues raised by the appealing party or parties. Written opinions are published that provide qualitative and quantitative analysis of the evidence presented in a manner that corrects, clarifies and/or supports the magistrate's findings of fact. The Commission also provides interpretations of the law. Any party in disagreement with the Commission's findings or legal interpretations may request that the record be certified to the Court of Appeals. The request must be in writing and submitted to the Commission, along with the filing fee, within 30 days of the mailed date stamped on the opinion. Upon expiration of the 30-day appellate window, the Commission's findings become final and binding on all parties.

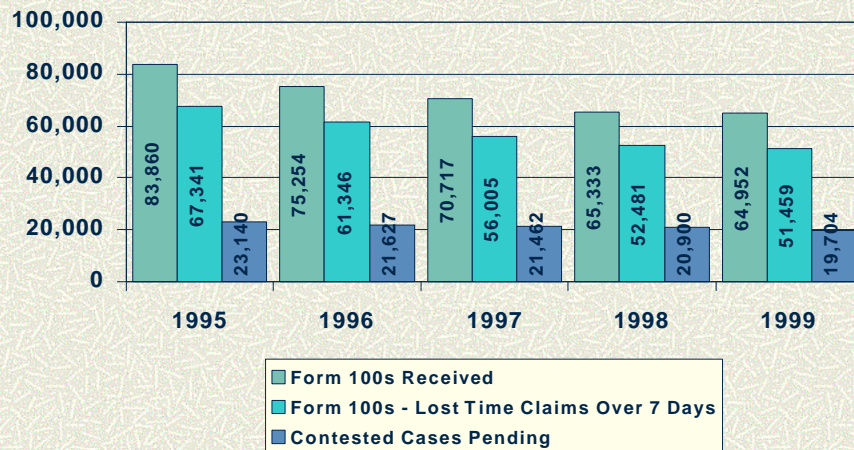
Statistics & Charts

STATE AVERAGE WEEKLY WAGE (SAWW) AND MAXIMUM BENEFIT AMOUNTS					
Year	SAWW	90% of SAWW (Maximum)	2/3 of SAWW*	50% of SAWW (Minimum Benefit for Death Cases)	25% of SAWW (Minimum Benefit for Specific Loss and P&T)
1982	\$340.45	\$307.00	\$226.97	\$170.23	\$85.11
1983	\$358.89	\$324.00	\$239.26	\$179.45	\$89.72
1984	\$370.65	\$334.00	\$247.10	\$185.33	\$92.66
1985	\$397.48	\$358.00	\$264.99	\$198.74	\$99.37
1986	\$414.70	\$374.00	\$276.47	\$207.35	\$103.68
1987	\$433.91	\$391.00	\$289.27	\$216.96	\$108.48
1988	\$440.77	\$397.00	\$293.85	\$220.39	\$110.19
1989	\$454.15	\$409.00	\$302.77	\$227.08	\$113.54
1990	\$474.22	\$427.00	\$316.15	\$237.11	\$118.56
1991	\$477.40	\$430.00	\$318.27	\$238.70	\$119.35
1992	\$489.01	\$441.00	\$326.01	\$244.51	\$122.25
1993	\$506.80	\$457.00	\$337.87	\$253.40	\$126.70
1994	\$527.29	\$475.00	\$351.53	\$263.65	\$131.82
1995	\$554.22	\$499.00	\$369.48	\$277.11	\$138.56
1996	\$581.39	\$524.00	\$387.59	\$290.70	\$145.35
1997	\$591.18	\$533.00	\$394.12	\$295.59	\$147.80
1998	\$614.10	\$553.00	\$409.40	\$307.05	\$153.53
1999	\$644.06	\$580.00	\$429.37	\$322.03	\$161.02
2000	\$678.23	\$611.00	\$452.15	\$339.12	\$169.56

* Discontinued fringe benefits may not be used to raise the weekly benefits above this amount.
Attorney fees may not be based on a benefit rate higher than this amount.

Compensation Supplement Fund Inflation Factors			
Dates of Injury (Dates Inclusive)	Inflation Factor	Dates of Injury (Dates Inclusive)	Inflation Factor
9/1/65 to 12/31/68	.886	1/1/74 to 12/31/74	.407
1/1/69 to 12/31/69	.796	1/1/75 to 12/31/75	.340
1/1/70 to 12/31/70	.710	1/1/76 to 12/31/76	.276
1/1/71 to 12/31/71	.629	1/1/77 to 12/31/77	.216
1/1/72 to 12/31/72	.551	1/1/78 to 12/31/78	.158
1/1/73 to 12/31/73	.477	1/1/79 to 12/31/79	.103

Claim/Case Trends



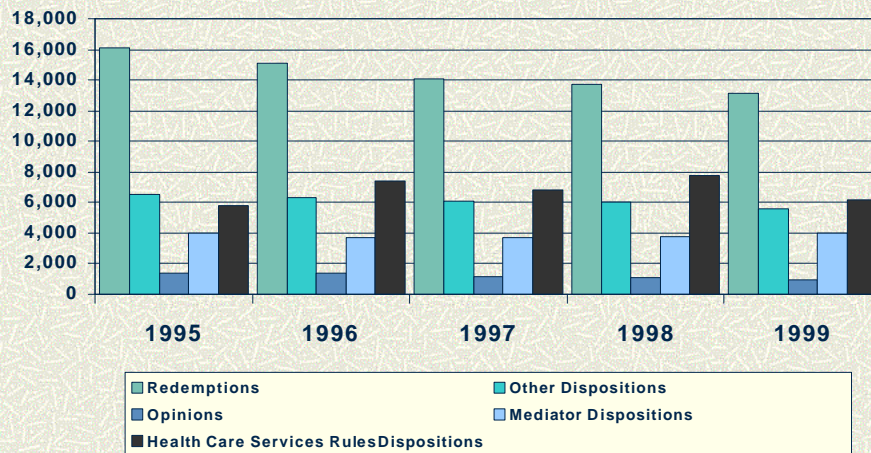
Michigan Workers' Compensation

Aged Case Distribution Chart

	1995	1996	1997	1998	1999
0 - 12 Months	14,018	13,152	12,785	12,502	11,831
13 - 18 Months	2,728	2,677	2,619	2,622	2,406
19 - 24 Months	1,299	1,155	1,104	958	947
Over 24 Months	1,283	778	650	484	408
Total Docket Load	19,328	17,762	17,158	16,566	15,592

Michigan Workers' Compensation

Contested Case Dispositions



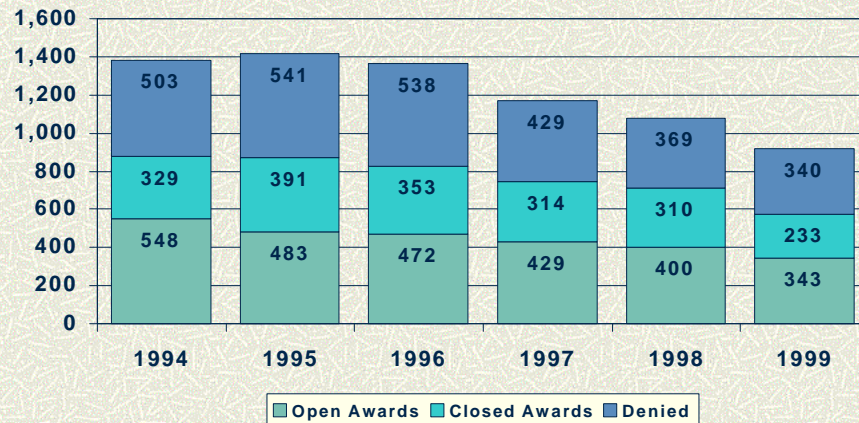
Michigan Workers' Compensation

Contested Case Dispositions

	1995	1996	1997	1998	1999
Redemptions	16,146	15,070	14,085	13,696	13,152
Other Dispositions	6,552	6,299	6,093	6,043	5,622
Opinions	1,415	1,363	1,172	1,079	916
Mediator Dispositions	3,971	3,686	3,757	3,958	4,402
Health Care Services Rules Dispositions	6,935	7,405	6,825	7,759	6,156

Michigan Workers' Compensation

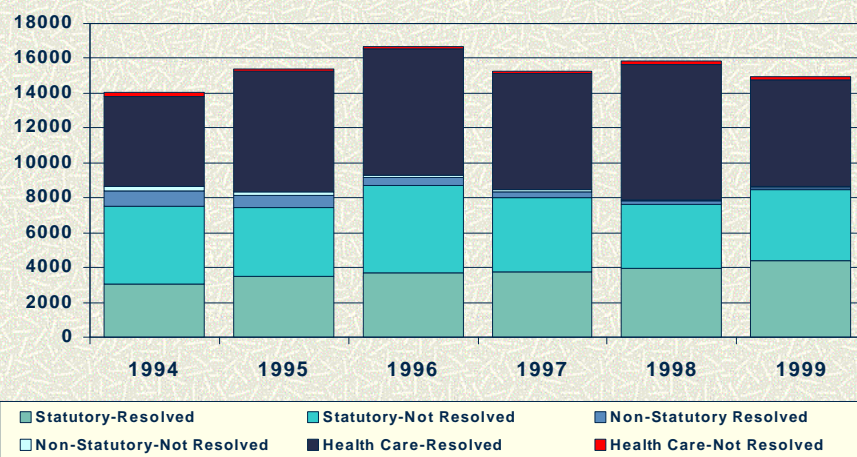
Workers' Compensation Trends



Michigan Workers' Compensation

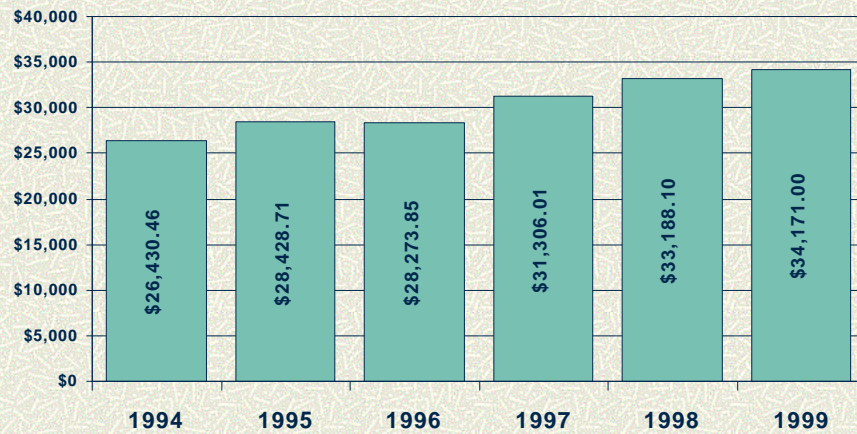
Mediation

(This chart does not include VR & Magistrate Referral Hearings)



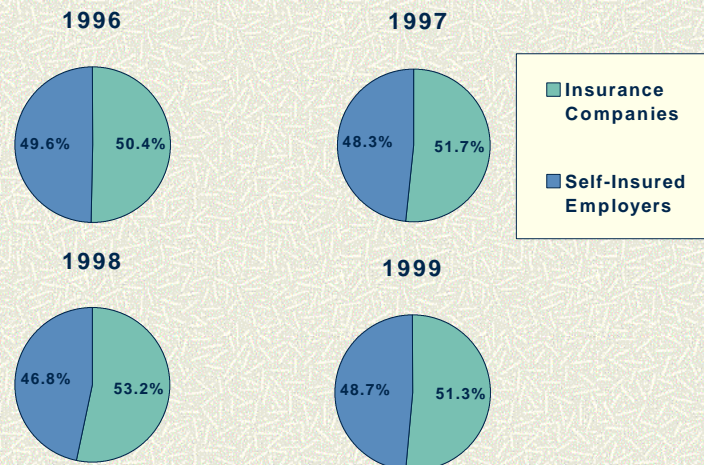
Michigan Workers' Compensation

Average Redemption Amounts



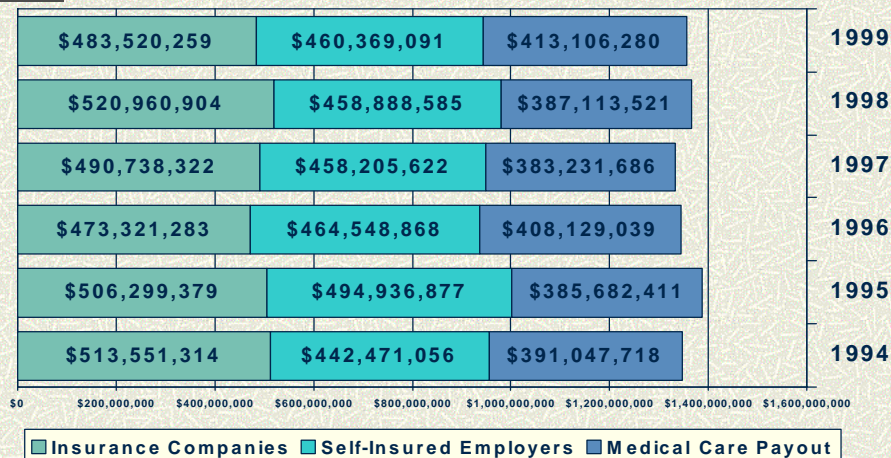
Michigan Workers' Compensation

Indemnity Payments



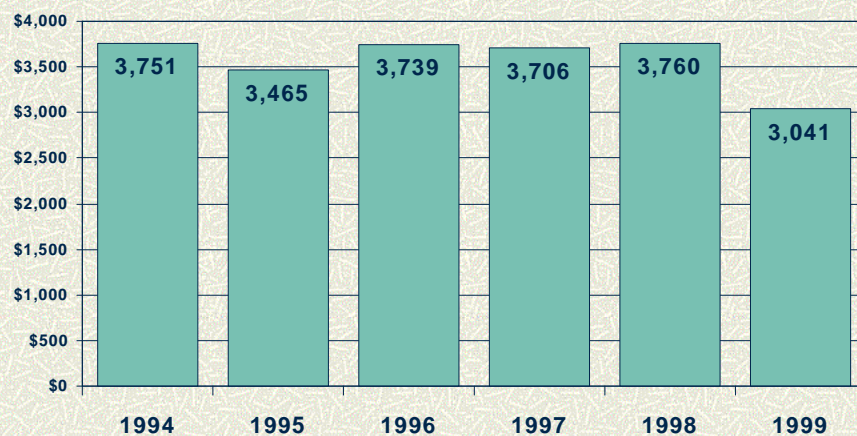
Michigan Workers' Compensation

Payout in Workers' Compensation Benefits and Medical Care



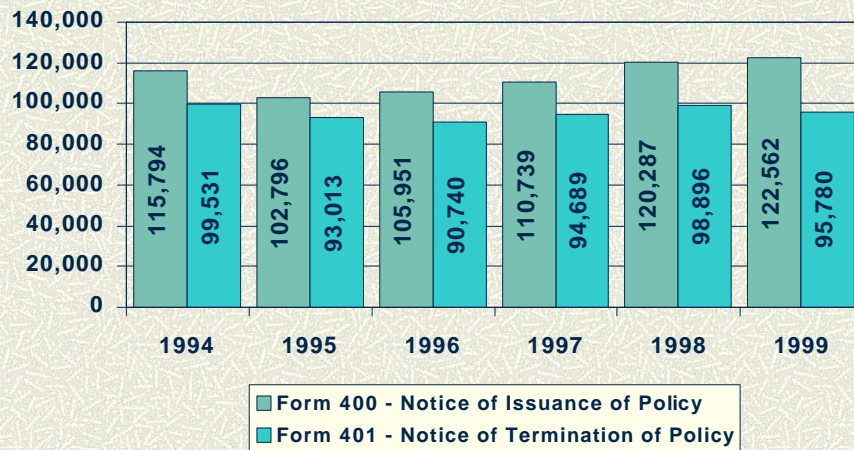
Michigan Workers' Compensation

Vocational Rehabilitation Programs Closed by Return to Work



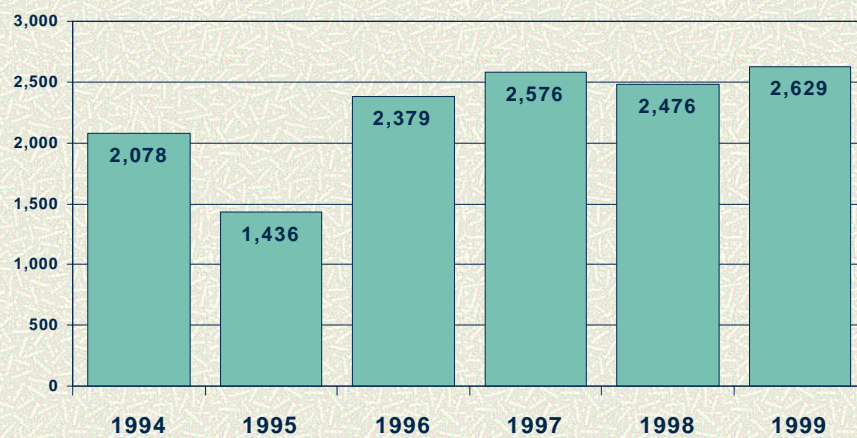
Michigan Workers' Compensation

Forms 400 & 401 Received



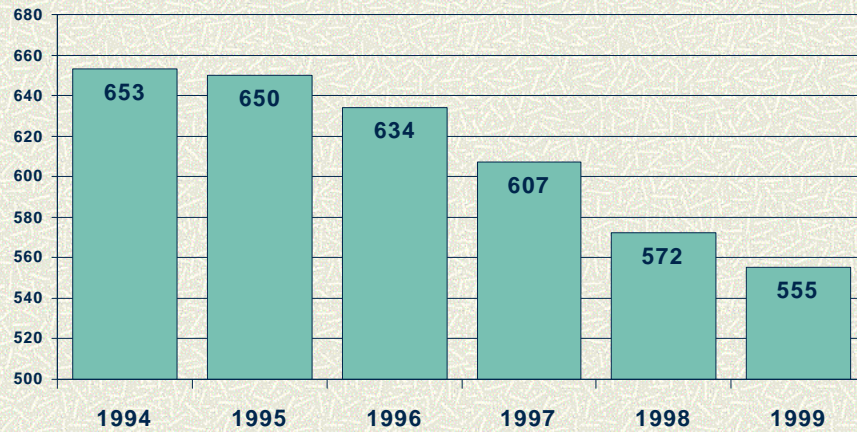
Michigan Workers' Compensation

Exclusion Forms Processed



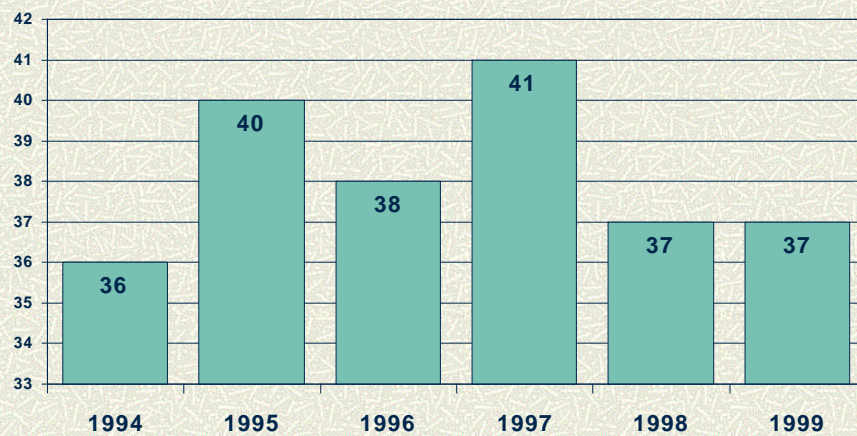
Michigan Workers' Compensation

Number of Approved Individual Self-Insured Employers



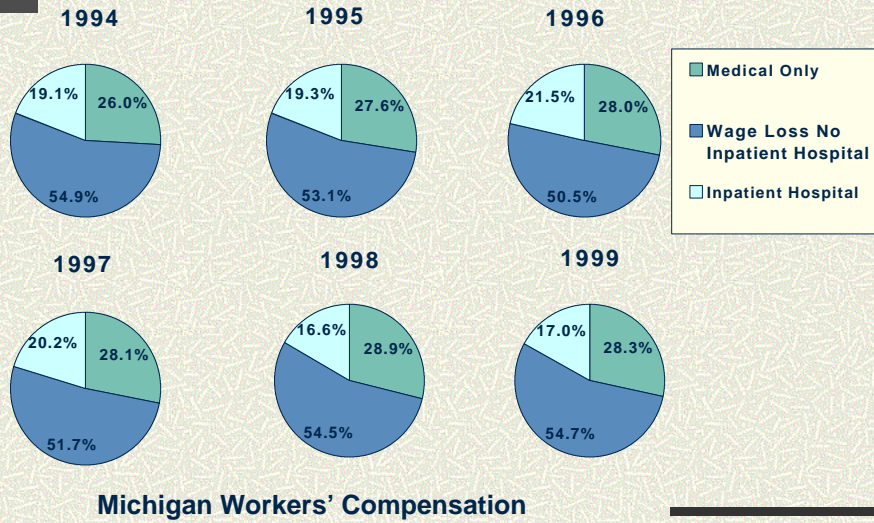
Michigan Workers' Compensation

Number of Approved Self-Insured Groups

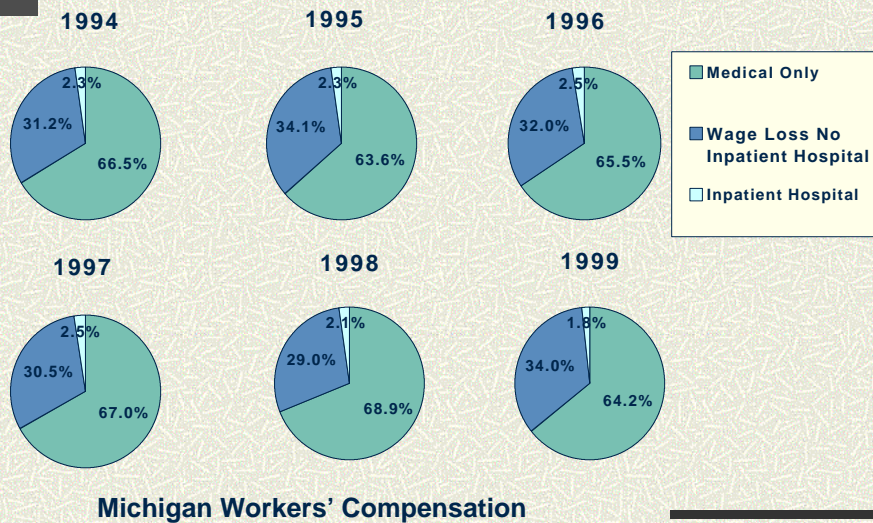


Michigan Workers' Compensation

Health Care Costs Amount Paid



Health Care Costs Number of Cases



Workers' Compensation Health Care Costs

January 1995 - December 1999*

TYPE OF CASE	JAN-JUNE 1995	JULY-DEC 1995**	JAN-JUNE 1996	JULY-DEC 1996***	JAN-JUNE 1997	JULY-DEC 1997****	JAN-JUNE 1998	JULY-DEC 1998	JAN-JUNE 1999	JULY-DEC 1999
Medical Only										
Number of Cases	183,686	165,823	182,129	167,663	170,334	152,812	173,102	178,546	177,592	172,657
Amount Paid	\$56,011,236	\$50,443,474	\$57,385,626	\$57,059,988	\$56,105,049	\$51,843,308	\$57,144,640	\$64,473,168	\$57,910,221	\$59,143,934
Cost/Case	\$305	\$304	\$315	\$340	\$329	\$339	\$330	\$361	\$326	\$343
Wage Loss No Inpatient Hosp										
Number of Cases	100,305	87,351	101,732	68,981	80,094	66,880	71,091	74,019	98,668	86,495
Amount Paid	\$108,606,393	\$96,038,018	\$106,949,403	\$98,851,012	\$102,789,092	\$95,664,759	\$105,089,691	\$114,812,732	\$114,466,819	\$111,467,021
Cost/Case	\$1,083	\$1,099	\$1,051	\$1,433	\$1,283	\$1,430	\$1,478	\$1,551	\$1,160	\$1,289
Inpatient Hospital										
Number of Cases	7,215	5,626	7,478	5,914	6,554	5,550	5,008	5,243	4,522	5,448
Amount Paid	\$41,610,912	\$32,972,377	\$48,561,968	\$39,321,041	\$41,642,830	\$36,089,875	\$32,732,418	\$35,615,765	\$34,846,653	\$35,271,633
Cost/Case	\$5,767	\$5,861	\$6,494	\$6,649	\$6,354	\$6,502	\$6,536	\$6,793	\$7,706	\$6,474
TOTAL										
Number of Cases	291,206	258,800	291,339	242,558	256,981	225,242	249,201	257,808	280,782	264,600
Amount Paid	\$206,228,542	\$179,453,869	\$212,896,997	\$195,232,041	\$200,536,972	\$183,597,942	\$194,966,750	\$214,901,665	\$207,223,693	\$205,882,587
Cost/Case	\$708	\$693	\$731	\$805	\$780	\$815	\$782	\$834	\$738	\$778

FIGURES REPRESENT PAYMENTS MADE IN ANY GIVEN REPORT PERIOD

* Figures prior to 1995 available through Health Care Services Division.

** New hospital ratio and E&M increase

*** New hospital ratio and RBRVS implementation

**** New practitioner fees became effective on September 1, 1997

Figures current as of 4/20/00

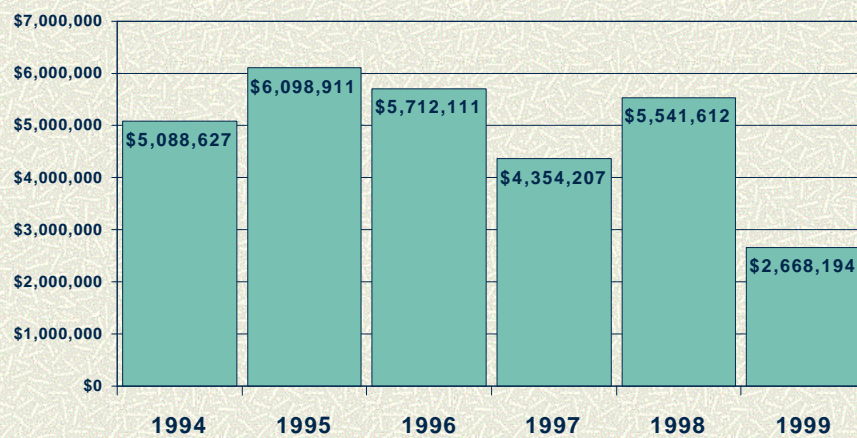
Note: For shaded years, some carriers may have included indemnity as well as medical costs.

Funds Administration 1999 Assessments

Fund	1999
Second Injury Fund	\$18,411,372
Silicosis, Dust Disease and Logging Industry Compensation Fund	\$7,966,176
Self-Insurers' Security Fund	\$0

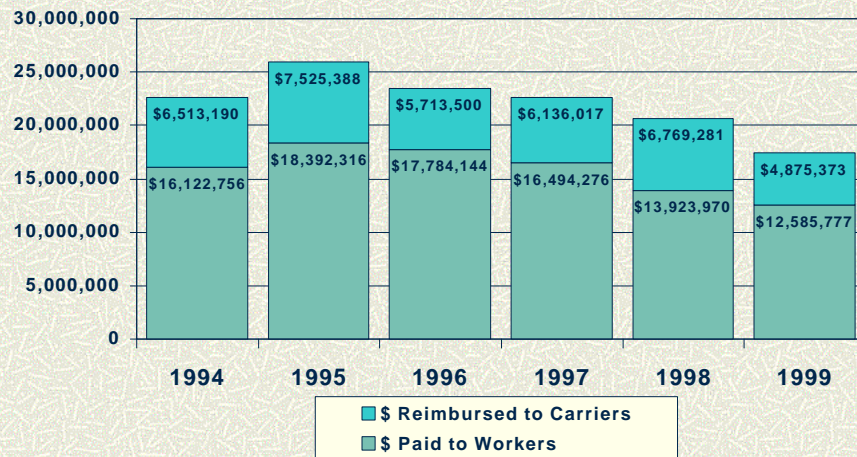
Michigan Workers' Compensation

Benefits Reimbursed to Carriers by the Silicosis, Dust Disease and Logging Industry Compensation Fund



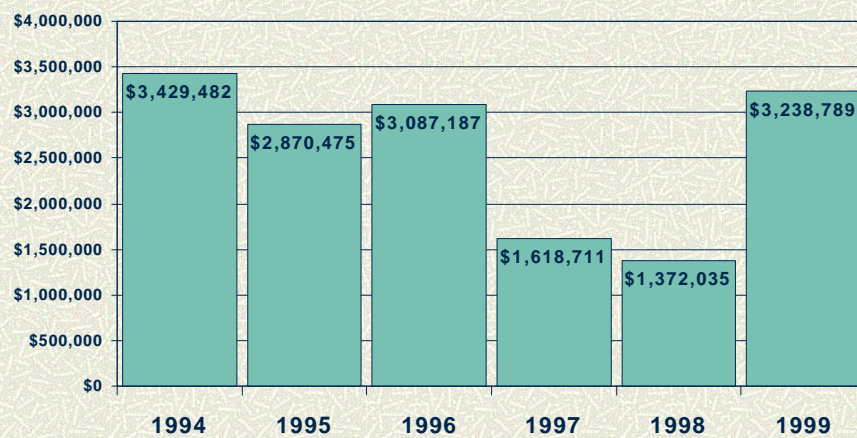
Michigan Workers' Compensation

Benefits Paid Out by Second Injury Fund



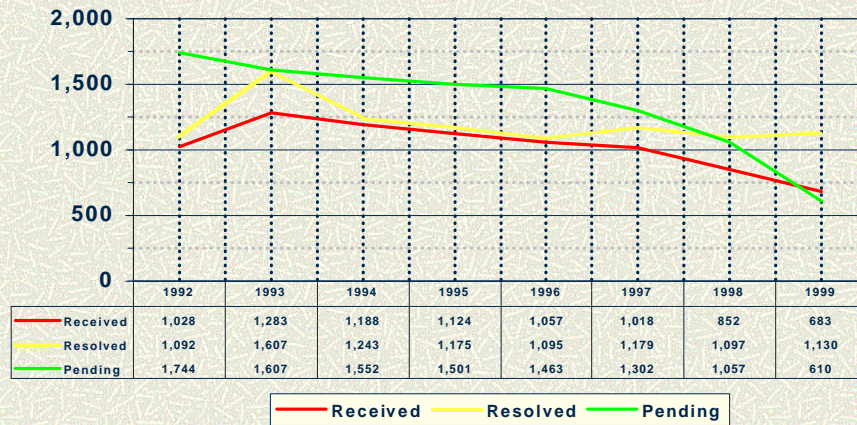
Michigan Workers' Compensation

Benefits Paid to Workers by the Self-Insurers' Security Fund



Michigan Workers' Compensation

Appellate Commission Caseload Activity



Michigan Workers' Compensation

Publications

<i>Publication</i>	<i>Printed Copies Available from Bureau</i>	<i>Information Available on Website</i>
Workers' Disability Compensation Act	X	X
Administrative Rules	X	X
1999 Annual Report	X	X
1998 Annual Report	X	X
1997 Annual Report	X	X
1996 and Prior Year Annual Reports	X	--
Overview of Workers' Compensation in Michigan	X	X
A Summary of Your Rights and Responsibilities Under Workers' Disability Compensation (Pamphlet)	X	X
Coverage Questions for Subcontractors, General Contractors, and Independent Contractors	X	X
Vocational Rehabilitation for Injured Workers (Pamphlet)	X	X
Approved Vocational Rehabilitation Facilities	X	X
Health Care Services Rules Order Form	X	X
2000 Weekly Benefit Rate Book	X	--
Calculation Program	X	X
Individual Self-Insured Employer List	X	X
Self-Insured Group List	X	X
Service Company List	X	X
Workers' Compensation Appellate Commission Opinions	X	X
Michigan Workers' Compensation Forms	X	Most forms

Website address: www.cis.state.mi.us/wkrcomp